

Open-ended investment fund Hansa Lats Money Market Fund

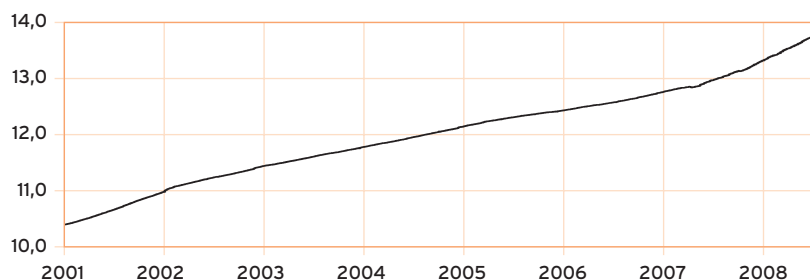
Investment Principles

Fund invests in fixed income securities issued in the Baltic States and OECD member countries. The objective of the open-ended investment fund "Hansa latu naudas tirgus fonds" is to achieve continuous growth of value of the capital over a short period of time in compliance with the investment policy and restrictions set by the Fund Prospectus. Investment into the Fund might be considered as an alternative to short-term deposits with banks.

General information

Fund Management Company	AS IPS Hansa Fondi
Fund Manager	Pēteris Stepiņš
Inception	1999
Transactions with the Fund's investment certificates:	Branch offices of AS Hansabanka; 67444147 www.telehansanet.lv www.hanzanet.lv
Net Asset Value (NAV)	LVL 13,7421
Net Assets	LVL 9 984 841
Management Fee per annum	0,6%
Weighted average modified duration, days	0,25

NAV



	YTD	1 month	3 months	6 months	1 year	3 years	Inception*
Performance, %	3,23	0,47	1,66	3,23	6,00	11,68	37,42
Annualized**, %	6,58	5,68	6,76	6,54	5,99	3,75	4,28

* - since launch

** - annualized performance, calculated using ACT/365 method

	2001	2002	2003	2004	2005	2006	2007
Annualized, %	5,54	4,17	2,94	3,06	2,30	2,68	4,34

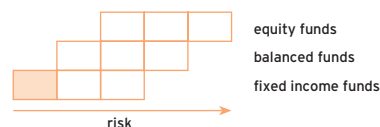
Manager Comment

Value of the investment fund units rose by 0,47% in June, while the year-to-date increase was 3,23% or 6,58% in terms of annual yield.

The LVL deposit market rates slightly dropped, however, the deposits portfolio still continued to generate a stable and high income thanks to the deposit contracts signed in previous months. The fund's total investments in deposits accounted for around 23% of the investment portfolio at the end of June, and the deposits portfolio average yield stood at 7,3% per annum at the end of the month. The short-term (up to 12 months) LVL deposit rates continue to near interbank rates. For some maturities, this process was a result of a slight rise in interbank rates rather than deposit rates falling on the market. Some credit institutions still offered rates in excess on the rates quoted on the interbank market.

As T-Bills of the Republic of Latvia become an increasingly attractive and profitable asset class, as compared to deposits, the share of these bonds has increased in the fund portfolio. In June, the State Treasury organized another monthly issue for T-Bills. This issue had T-Bills with 7 months remaining to maturity and an average weighted yield of 6,46% per annum. The T-Bill issued in May had an average weighted yield of 6,36%.

Risk level



Higher expected yield is accompanied by higher risk.

Distribution of investments

Deposits	22,7%	22,7%
Fixed Rate Bonds	40,8%	40,8%
Money***	21,7%	21,7%
Floating Rate Bonds	14,8%	14,8%

*** - including redemption liabilities

Portfolio by ratings

NR****	52,1%	52,1%
A	38,1%	38,1%
Baa	8,8%	8,8%
Aa	1,0%	1,0%

**** - investments without rating of international rating agencies

Portfolio by modified duration

up to 3 months	66,9%	66,9%
3-6 months	11,9%	11,9%
6-12 months	18,2%	18,2%
over 1 year	3,0%	3,0%

Portfolio by currencies

LVL	87,7%	87,7%
EUR	12,3%	12,3%

Larger investments

Investment	Weight
LR 1-year bills 09.01.2009	15,1%
LR 1-year bills 12.09.2008	11,9%
LR 1-year bills 07.11.2008	8,9%
Term deposit in Hansabanka 28.07.2008	7,1%
Telenor ASA bonds 28.09.2011	3,5%
Bonds of Volkswagen Bank 27.06.2011	3,5%
Bonds of Repsol 16.02.2012	3,5%
Kesko bonds 17.04.2009	3,1%
Term deposit in Hansabanka 07.07.2008	3,0%
Term deposit in LHZB 28.07.2008	2,8%